



From left: Jayant Sinha, Director, IRE Shipping Agency; Gopal Sinha, MD, IFC Capital, and Koyejoon Kim, South Korea's Consul General in Chennai



Gayatri Sinha, Managing Director, USA Auto



Jayant Sinha, Minister of State for Finance, with Arin Ram Kumar, General Manager, Chennai Plaza Chemicals Pvt. Ltd., and Anand Krishnan, Editorial Consultant, Business Line, at the gala launch of Business Line, in Chennai on Saturday



Kanda Saibaba, founder of CherryTn, with S Mahalingam, former CEO, ITC Consulting Services



Koyejoon Kim, South Korea's Consul General in Chennai, with Vijay Sankar, Deputy Chairman, Sankar Group

'India has the potential to be an innovation hub'

A package of measures will be announced soon, says Jayant Sinha

R. BHASKAR
Chennai, July 12

With the Micro Units Development Refinance Agency (MUDRA) in place to fund small and medium units, the government is keen to promote the entrepreneurial spirit, said Union Minister of State for Finance Jayant Sinha. "We have put together an approach that will be quite meaningful and clearly make an environment to assist entrepreneurs. Stay tuned."

Sinha told corporate leaders and industry representatives at Breakfast with BusinessLine, an interactive session at the Chennai Plaza in Chennai on Saturday. If the US is the innovation hub and economic engine for the top one billion—the affluent segment of the world population—India has the potential to be the innovation hub and economic engine for the next six billion of the world population. What is designed, developed and expanded from here will be of great user value for the masses, he said. It has happened in auto manufacturing as an export hub for small cars. This will follow in solar energy, medical devices, in smartphones. "India does have the potential to be at the economic edge," he added.

To ensure this, the MUDRA Bill would soon have its own statutory shape and create a financing ecosystem for MSMEs and the informal sector. The Krishna Agency "will be about loans in lakhs of rupees not in crores" and support small business, retailers and vendors, he said.

It is just one of the initiatives the government is putting in place for promoting entrepreneurship in order to secure investments, the government has said to set up significant funds for

creating a network of innovation labs in educational institutions and the private sector. The Centre has also improved ease of doing business for the venture capital industry by providing post-though tax status to alternative investment funds and launching a new institutional listing platform for innovative start-ups to list. A fund of funds will also be launched to propel the innovation economy forward. Sinha said. Giving more his own experience as a venture capitalist, Sinha said the concern in the entrepreneurial sector is not about availability of funds but about viable and sustainable ideas.

Unlike in the past, when funding was a key constraint, today, any good business plan with capability and management is getting funded. There is a mismatch between what entrepreneurs expect and what investors are willing to finance, he felt.

Capitalisation & MRRS
Responding to a question on recapitalisation of banks and whether this would pose a constraint to the start-up sector, he said: "The Government for that and will discuss the

matter in full detail shortly," he stated that the Finance Ministry has been going through a detailed and thorough set of reviews with public sector banks, analysed balance sheets closely and ordered their capital requirements now and for the future understood regarding Basel norms.

The government is fully com-

mitted to supporting the nation's start-up banks. But capital is just one aspect, governance, management, operating autonomy, bringing on NIN are all important elements of supporting public sector banks, he said. "We will be able to put in place a comprehensive solution for public sector banks," he said.

Picture by Bijoy Ghosh



From left: Jayant Sinha, MD, Wheels India and MK Rangaswamy, MD and CEO, GrandCochroffs India, and Rajiv C. Lechar, MD and CEO, Katerbil's Socks



A view of corporate leaders and industry representatives in Chennai interacting with Jayant Sinha, Minister of State for Finance



Vijay Sankar, MD, Chennai-based investment and finance Co Ltd



From left: Vikram Hoopujari, Head, Transactions and Restructuring, KVIC, R Barchander, Group President and Head of Business Development, South, MTS B&L and R&A, Rajeev Global Tax Advisory, IBC with Jayant Sinha